

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF RANDY) APPEAL NO. 07-A-2528
AND DEBRA BELL from the decision of the Board of) FINAL DECISION
Equalization of Kootenai County for tax year 2007.) AND ORDER

VACANT LOT APPEAL

THIS MATTER came on for hearing November 5, 2007, in Coeur d' Alene, Idaho before Board Member Linda S. Pike. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellants Randy and Debra Bell appeared at hearing. Chief Deputy Assessor Richard Houser, Residential Appraisal Manager Darin Krier, and Appraisers Ken Merwin and Chrystal Booth appeared for Respondent Kootenai County. This appeal is taken from a decision of the Kootenai County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. Y5700003012A.

The issue on appeal is the market value of a vacant lot.

The decision of the Kootenai County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$85,000. Appellants request the land value be reduced to \$42,500.

The subject property is a .095 acre vacant residential lot located in the Sunnyside Addition in Harrison, Idaho.

Taxpayers purchased subject for \$40,000 in July 2005. Appellants stated subject's assessed value increased from \$26,400 in 2005 to \$85,000 in 2007 and contend a 300% increase is excessive and unreasonable.

Appellants contested Respondent's usage of larger lots as well as lots located closer to the lake as comparable to subject.

Taxpayers presented current and expired listings on bare lots located in close proximity to subject. Most of the properties were on the market for over fifteen (15) months.

Taxpayers presented one sale which involved a .12 acre lot which sold in June 2006 for \$60,000. The property was located closer to the lake than subject.

Respondent stated assessed values are based on actual sales, not listings. It was further explained subject is located in Geo-Economic Area (GEA) 6360, which contains 107 parcels.

The County conducted a sales analysis which indicated assessed values had a median of 82.98% and a mean of 83.70% when compared to sale prices. In order to meet Tax Commission standards of assessment, ratio's of assessed values to sale prices needed to be between 90% and 110%. Assessed land values had to be increased, to meet market value standards. Depending on certain criteria, such as view and buildability, land values were increased to \$65,000 to \$95,000 per lot. Respondent agreed the subject lot is small, however, stated a residential home could be built on it.

The County presented view photographs used in arriving at a view legend. Views were rated from fair to good. Subject is rated as legend 3 - an average view.

Respondent presented nine (9) 2005 and 2006 bare lot sales in subject's area. Lot sizes ranged from .075 to .564 acres, with sales prices between \$59,220 and \$90,000. After time-adjusting the sales to the lien date of January 1, 2007 the sales price ranged between \$61,525 and \$105,600.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in

support of their respective positions, hereby enters the following.

Idaho is a market value state for property tax purposes.

Idaho Code § 63-201. Definitions --

(10) "Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

A widely accepted method for establishing the market value of land is through a comparison of like properties that have recently sold. Both parties submitted sales information. Appellants presented current and expired listings and one sale of a .12 acre lot which sold in June 2006 for \$60,000. The County referenced nine (9) bare land sales, seven (7) of which were 2006 sales.

Respondent's seven (7) 2006 bare land sales were larger than subject and sold for less than subject's assessed value. After the seven (7) sales were time adjusted to the January 1, 2007 lien date, the sales prices ranged between \$61,525 and \$72,191. This range does not support subject's assessed value of \$85,000.

The Board similarly finds Appellant's request for a reduction in value to \$45,000 not well supported.

Because of the numerous bare land sales data presented the Board finds it more probable than not that subject property is assessed in excess of market value.

The Board will therefore modify the decision of the Kootenai County Board of Equalization to reflect a reduction in subject's assessed value to \$65,000.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the

Kootenai County Board of Equalization concerning the subject parcel be, and the same hereby is, modified to reflect a decrease to \$65,000.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

DATED May 1, 2008